



**Frederick County
Government
Frederick, Maryland**

News Release

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Historical last budget to be approved by a Board of County Commissioners...

COUNTY COMMISSIONERS ADOPT BALANCED OPERATING BUDGET & CAPITAL IMPROVEMENTS PROGRAM

FREDERICK, MD – As Frederick County prepares to transition to Charter Government on December 1, 2014, today's approval of a balanced budget marks the last time a Board of County Commissioners will take such an action. The board approved an [Operating Budget](#) of approximately \$525.7 million for the fiscal year from July 1, 2014, to June 30, 2015. The board also approved the Capital Budget of approximately \$85 million for the funding of projects and the fiscal year 2015 – 2020 Capital Improvements Program of approximately \$598 million.

Budget Officer Regina Howell summarized the approximately \$6.8 million in changes from the proposed budget to the one presented to the board today. Those changes included one-time pass-through revenues to fund the Capital Improvements Program resulting from a delay in the sale of the 520 North Market Street building (\$1.8 million) and the transfer of \$1 million from the Parks recordation to fund Board of Education (BOE) technology initiatives. Almost \$3.9 million in recordation taxes previously dedicated to the nursing home construction fund were transferred to the General Fund to fund the Continuing Care Agreement with Aurora Holdings VII, LLC. A reduction in the property tax rate with the adoption of the constant yield tax rate and expansion of the senior property tax credit reduced property tax revenues approximately \$1 million.

Ms. Howell further explained to the board some of the expenses that were included in the budget, such as an increased workers compensation estimate, decreased board contingency fund, debt service estimate, and other miscellaneous adjustments.

Board President Blaine Young commented, "The operating budget has something for everyone. We adopted the constant yield to generate the same amount of revenue in property taxes as the previous year, which showed that we can live within our means. This board has also looked through various fees and taxes and reduced or eliminated them.

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“I would also like to highlight some of the key aspects of the budget we approved: because the state police have reduced coverage, we included more deputies to keep our citizens safe; we included a million dollars more for technology for Frederick County Public Schools; the budget is ‘senior friendly,’ as we expanded the senior property tax credit and increased funding for the Department of Aging, and the Moderately Priced Dwelling Unit fund was expanded with an agreement with The City of Frederick for a year-round shelter for our neediest in the community.

“If the budget looks like an increase to some, it is because we addressed the catastrophic issues in the fire tax fund by consolidating the Fire Tax District expenses into the General Fund. The fire tax fund was not self-sustaining and was draining the fund.

“In response to concerns from our citizens, we included a continuing care agreement related to the privatization of the nursing home. We could have received more for the sale, but we wanted to make sure that the agreement protected the patients and the employees, which was our priority.

“As to the Other Post Employment Benefit trust fund, we are funding it to the actuarial standard, so we now have one of the strongest funds in the state of Maryland. This budget also falls under 2,000 full-time budgeted county employees – compare that to the peak in 2009, when we had 2,650 employees.

“For the first time in six years, the budget includes an annual merit increment and two percent cost-of-living increase for all Frederick County Government employees. The board recognizes that county employees are well deserving of this raise because they continue to do more with less and provide exemplary services to the citizens of Frederick County. In addition, the board enacted several changes to the Employee Retirement Plan which will reduce the unfunded liability and over the long term insure that the plan is financially sound. The pension plan is 90 percent funded based on the market value, including contributions from employees.

“Some have also asked why we postponed passage of this budget from the first week of June. We wanted to give more time for those who criticized the budget to come forward with alternatives. To date, we have not received even one such alternative from candidates, elected officials or citizens. This is a testimony to the hard work of the Budget Committee and our division directors, who were instrumental in helping us balance the budget.

“In summary, no budget is perfect, but we have done the best we could do with what we had. This board has emphasized that we must live within our means, and a majority of this board is proud to vote for this budget. As the last Board of County Commissioners, we have put our financial house in order by reducing the reach of local government while at the same time maintaining core functions and services for our citizens. We have faced many challenges head on and have not wavered when it came to making tough decisions, which we feel will provide a good financial foundation for the incoming new Charter Government.”

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Highlights of the approved FY2015 Capital Budget include:

- Kept on track construction funding for the Parks paving project, replacement of Ball Road Bridge, rehabilitation of Pete Wiles Road Bridge and Reels Mill Road Bridge, Frederick Community College's Central Plant and Building B renovation/expansion projects.
- Provided funding for three new projects related to safety/security issues – replacement of mobile data terminals for law enforcement, replacement/upgrade of self-contained breathing apparatus for Fire & Rescue and replacement of courthouse security equipment.
- Moved forward the design of the new West Frederick City Elementary School project to FY2015.
- Recognized \$15.9 million from the state for BOE projects.
- Increased funding for BOE projects by \$1 million for technology initiatives.
- Increased funding for BOE projects by \$1.5 million for two 12-room portables for Hillcrest Elementary School.

Highlights of the approved FY2015-2020 Capital Improvements Program include:

- Kept on track the construction funding for Frederick High School replacement and the new Sugarloaf Elementary School.
- Established an ongoing project to maintain existing park facilities.
- Established several relocation projects based on the building consolidation task force, to be funded primarily by the proceeds from selling several buildings and expiring leases.
- Delayed the Reichs Ford Road Phase 2 and Yeagertown Road projects.
- Delayed the Frederick Community College Allied Heath Building and STEM Building projects.
- Established replacement/enhancement projects for the replacement of in-car video cameras for law enforcement and software update/replacement for public safety and land management.

For additional information, visit www.FrederickCountyMD.gov/budget or contact Budget Officer Regina Howell at 301-600-3191 or via e-mail at rhowell@FrederickCountyMD.gov, or Assistant Budget Officer Kelly Weaver at 301-600-1185 or via e-mail at kweaver@FrederickCountyMD.gov.

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